

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re	:	Hearing Date: February 16, 2001
	:	Time: 10:00 a.m.
	:	
	:	Chapter 11
RANDALL'S ISLAND FAMILY GOLF	:	Case Nos. 00-B-41065 (SMB)
CENTERS, INC., <u>et al.</u> ,	:	through 00-B-41196 (SMB)
	:	
Debtors.	:	(Jointly Administered)
	:	

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**LIMITED OBJECTION BY THE ARAPAHOE COUNTY PUBLIC
AIRPORT AUTHORITY TO THE ASSUMPTION AND ASSIGNMENT OF
LEASE (DENVER FAMILY GOLF CENTERS, INC.; ASSET NOS. 323 AND 505)**

The Arapahoe County Public Airport Authority ("Airport Authority"), by and through its attorneys, Brega & Winters, P.C. and Carter, Ledyard & Milburn, and pursuant to paragraph 11 of the Court's Order of January 23, 2001, hereby objects to certain terms of the Assumption and Assignment of its Ground Lease and Agreement with Denver Family Golf Centers, Inc. and as grounds therefore states:

1. The Airport Authority is landlord under a Ground Lease and Agreement with Denver Family Golf Centers, Inc. dated July 8, 1997 as amended by the First Amendment dated July 8, 1997 and the Second Amendment dated October 8, 1998 (collectively, the "Ground Lease").

2. The Airport Authority is advised that South Suburban Park and Recreation District ("South Suburban") is the Successful Bidder for the Ground Lease at \$7,000,000.00. A copy of its bid dated February 2, 2001 is attached hereto as Exhibit A.

3. The Airport Authority has no objection to South Suburban becoming the lessee under the Ground Lease. South Suburban is a known entity to the Airport Authority and the Airport Authority is looking forward to a fruitful relationship.

4. However, South Suburban's bid letter raises an issue that needs to be resolved, otherwise the Airport Authority has no assurance that all amounts due pursuant to the Ground Lease, specifically the Percentage Rent for the year 2000 and a portion of the year 2001 will be paid.

5. On pages 2-3 of the bid letter, Taxes and Adjustments, South Suburban states:

For clarification purposes, this offer is submitted with the express understanding that notwithstanding any provision to the contrary contained in Paragraph 4 of the Contract for Assignment of Lease or Concessions, all real and personal property taxes attributable to the purchased Assets for calendar year 2000 and prior years shall be paid in full by Debtor, on or before Closing, together with all rents (basic, additional and percentage) for 2000 and prior years. In addition, as of 11:59 p.m. of the day before the date of Closing, all real and personal property taxes attributable to said Assets for calendar year 2001, together with all rents for 2001 (basic, additional and percentage) shall be adjusted between Seller and Purchaser.

6. The Airport Authority supports South Suburban's position and believes that the Contract for Assignment of Lease supports the proration of taxes. However, it is not clear to the Airport Authority that the Debtor has or will agree to pay the Percentage Rent for the year 2000 or the Debtor has or will agree to the proration of the Percentage Rent for the year 2001. Further, if the Debtor does not agree to pay the Percentage Rent for the year 2000 or the prorated Percentage Rent for the year 2001, then the Airport Authority requires adequate assurance from

South Suburban that it will pay those rents. The Percentage Rent issue needs to be resolved before the Ground Lease is assumed and assigned and a closing occurs.

WHEREFORE, the Airport Authority prays that this Court not approve the assumption and assignment of its Ground Lease until it is established that either the Debtor or the Successful Bidder will pay the Percentage Rent for the year 2000 and as prorated for the year 2001.

Dated: New York, New York
February 14, 2001

Brian A. Magoon, Esq.
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-and-

CARTER, LEDYARD & MILBURN

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Attorneys for Arapahoe County Public
Airport Authority

CERTIFICATE OF SERVICE

I, am an attorney duly admitted to practice before this Court and am a member of the law firm of Carter, Ledyard & Milburn. I hereby certify that on the 14th day of February, 2001, I caused true and correct copies of the annexed Objection by the Arapahoe County Public Airport Authority to the Assumption and Assignment of Lease to be delivered by facsimile and overnight mail upon the following:

South Suburban Park and Recreation District
6631 South University Boulevard
Littleton, CO 80121
Attn: David A. Lorenz
(facsimile - (303) 798-3030)

c/o Collins Cockrel & Cole
390 Union Boulevard, Suite 400
Denver, Colorado 80228-1556
Attn: James P. Collins
(facsimile - (303) 986-1755)

c/o Family Golf Centers, Inc.
538 Broadhollow Road, Suite 410E
Melville, New York 11747
Attn: Philip J. Gund
(facsimile - (631) 694-1935)

Golenbock, Eiseman, Assor & Bell
437 Madison Avenue
New York, New York 10022
Attn: Jonathan L. Flaxer
(facsimile - (212) 907-0777)

Keen
60 Cutter Mill Road, Suite 407
Great Neck, New York 10021
Attn: Harold J. Bordwin
(facsimile - (516) 482-5764)

Berlack, Israels & Liberman, LLP
120 West 45th Street
New York, New York 10036
Attn: Edward S. Weisfelner
(facsimile - (212)704-0196)

c/o Morgan, Lewis & Bockius
101 Park Avenue
New York, New York 10178
Attn: Richard S. Toder
(facsimile - (212) 309-6273)

/s/ James Gadsden
James Gadsden